GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:6401
ANSWERED ON:07.05.2003
REDUCTION OF COST OF MONEY ORDERS
AMBATI BRAHMANAIAH

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether demand drafts from banks are proving to be cheaper than the system of money orders;

(b) if so, the reasons therefor;

(c) whether the Goverenment have made any efforts to reduce the costs of money orders;

(d) if so, the steps proposed to be taken to make mony orders an efficient and reasonably priced service; and

(e) the other measures propose to the Government to take to increase the popularity of money orders?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY(SH THIRUNAVUKKARASAR)

(a) Different banks charge different rates of commission for demand draft. Apart from the commission, the customer has to incur some additional expenditure for the transmission of the bank draft either by the registered post or courier to the recipient. The tariff of money order is the composite amount for transmission from the customer to the door of the recipient.

(b) Does not arise in view of (a) above.

(c) to (e): The focus of the efforts made so far has been on enhancing the speed and efficiency of transmission of money orders. Accordingly, as part of its modernisation strategy, Department has set up, under successive plans, a satellite based communication network through Very Small Aperture Terminals (VSATs) which has served to reduce the transmission time. This system is further connected to approximately 1500 post offices throughout the country through telephone lines. Progressively, the entire money order traffic in the country is proposed to be brought on VSAT network, in a phased manner.